

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 867 – HB 1741

March 24, 2011

SUMMARY OF BILL: Creates the Licensed Interior Designers Act, and directs the title “registered interior designers” to be changed to “licensed interior designers.” Permits licensed interior designers to prepare non-structural interior design plans for large commercial interior spaces. Exempts licensed architects, engineers, and landscape architects from additional licensing requirements. Exempts interior design consultants and kitchen and bath designers from licensing requirements so long as the title “registered interior designer” is not used to promote their work. Requires the appointment of a registered interior designer to the Board of Architectural and Engineering Examiners. Requires the Board to promulgate rules beginning July 1, 2011, with the bill becoming effective on July 1, 2012, for all other purposes.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – \$97,500/FY12-13/Board of Architectural and
Engineering Examiners
\$19,500/FY13-14 and Subsequent Years/Board of
Architectural and Engineering Examiners
\$70,000/Biennially beginning in FY14-15/Board of
Architectural and Engineering Examiners
\$14,000/Biennially beginning in FY15-16/Board of
Architectural and Engineering Examiners**

**Increase State Expenditures - \$5,000/FY11-12/Board of Architectural and
Engineering Examiners**

Assumptions:

- The Department of Commerce and Insurance (TDCI) estimates that 499 registered interior designers will be grandfathered into the licensure and registration program.
- TDCI will charge a \$55 licensing fee and a \$140 registration fee for new licensees. Licenses will be renewed biennially with a fee of \$140 per renewal.
- TDCI anticipates licensing 500 individuals in FY12-13, resulting in a one-time increase in state revenue of \$97,500 [(\$55 license fee x 500 licensees) + (\$140 registration fee x 500 registrants)].
- TDCI estimates an additional 100 new licensees per year beginning in FY13-14. The result is a recurring increase in state revenue of \$19,500 [(\$55 license fee x 100 licensees) + (\$140 registration fee x 100 registrants)].

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- License renewals will begin in FY13-14, resulting in a recurring biennial increase in state revenue of \$70,000 (\$140 renewal fee x 500 licensees).
- Beginning in FY14-15, there will be a recurring biennial increase in state revenue of \$14,000 (\$140 renewal fee x 100 license fees).
- The Board of Architectural and Engineering Examiners will hold a rulemaking hearing in FY11-12, resulting in a one-time increase in state expenditures of \$5,000. According to TDCI, the revenue generated by the licensing program will cover expenditures.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board Architectural and Engineering Examiners had closing balances of \$596,988 in FY08-09, \$85,634 in FY09-10, and a total year-end closing reserve balance of \$682,622 on June 30, 2010.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/sbh